

May 22, 2006

The Honorable Members  
Durham County Board of Commissioners  
Durham County Administrative Complex  
200 East Main Street  
Durham, North Carolina 27701

Dear Durham County Commissioners:

The following pages lay out a comprehensive spending plan for Fiscal Year 2007, which ensures that our citizens will continue to enjoy the same high-quality services that have distinguished Durham County Government for years. Indeed, Durham County is recognized nationwide as a leading provider of services that matter most in the lives of our citizens. Just last month, for example, our mental health agency received a national award for its System of Care initiative that helps families navigate a comprehensive network of services for their children.

We will continue to reap state and national awards for the services we provide as long as our leadership and workforce continue to put their creativity to work and show the passion to make a difference in our community. I assure you next year's budget embraces the same spirit that brings others year after year to Durham County to learn more about how we improve and save lives.

In spite of staggering cost increases in the provision of services, our organization continues to function with efficiency. Next year's budget reflects these gains, evidenced by a modest 3.47% increase in total spending and an outlay of \$698.1 million. While we have twenty-two funds in our budget, one principal fund, the General Fund, serves as the home fund for the vast majority of County services. Next year's recommended General Fund appropriation is \$583.3 million, a 5.31% increase over the current fiscal year.

No increase in property taxes will be required to support the appropriations I have recommended for the 2007 Fiscal Year. Consequently, the owner of a \$150,000 home will continue to be taxed at a rate of 80.9 cents, resulting in an annual tax bill of \$1,213.50. More

importantly, we will continue the trend of moving down the chart in the rankings of North Carolina counties with the highest tax rates. When I arrived here in 2000, Durham County was among the top five highest counties in the state. In Fiscal Year 2007, Durham County will not appear in the top twenty-five counties with the highest property tax rates.

Even though no property tax rate increase is recommended, next year's budget ensures that the most important needs in our community are met. There are significant increases in funding for important services in next year's budget including:

- \$90.4 million for the Durham Public Schools - a 5.7% increase
- \$4.1 million for Durham Technical Community College – a 10% increase
- \$11.7 million for the County's share of Medicaid - an 8.0% increase
- \$1.2 million for the Museum of Life and Science – a 17.7% increase
- \$8.8 million for Emergency Medical Services and VFD Paramedic Services – a 9.9% increase
- \$8.2 million for the Durham Public Library System – a 13.6% increase
- \$40.5 million for debt service payments – an 8.3% increase

Early in the calendar year, the Board of County Commissioners held a retreat devoted to a discussion of priorities the Board wants to see addressed in its upcoming budget. The priorities developed during this January retreat are addressed in next year's budget, coupled with other priorities consistent during my administration:

- ✓ Maintain Durham County's strong financial position
- ✓ Continue to hold the property tax rates as low as possible
- ✓ Maintain Durham County's statewide ranking in per pupil funding for public schools
- ✓ Increase support for the implementation of the Results Based Accountability Initiative
- ✓ Maintain high levels of County services
- ✓ Provide funding for implementation of a competitive pay plan for County employees
- ✓ Continue needed technology upgrades to support County services and programs

- ✓ Provide adequate funding for capital improvements planned for Fiscal Year 2007
- ✓ Provide funding to open and staff East and North Regional Libraries and to re-open and staff the Stanford L. Warren Library
- ✓ Continue to partner with nonprofit agencies for important County services

In conclusion, the budget that follows has been carefully and thoughtfully prepared. Important community needs are met in the context of goals that both the Board and our dedicated workforce share. In short, a reasonable spending plan has been proposed that maintains high levels of services at a cost our community can afford.

I look forward to working with you in the weeks ahead and invite any questions that you may have.

Sincerely,

Michael M. Ruffin  
County Manager

MMR/mmr

Attachments

## ALL FUNDS

	2005-2006 Current Modified	2006-2007 Department Requested	2006-2007 Manager Recommended	% Variance
GENERAL FUND	\$553,915,112	\$618,596,392	\$583,306,475	5.31 %
RISK MANAGEMENT FUND	\$2,167,760	\$2,418,803	\$2,422,757	11.76 %
SWAP AGREEMENT FUND	\$0	\$0	\$470,876	X
CAPITAL IMPROVEMENT FUND	\$39,108,597	\$38,945,606	\$31,508,491	-19.43 %
CAFETERIA PLAN FUND	\$12,460,003	\$13,281,896	\$13,250,808	6.35 %
BETHESDA FIRE DISTRICT	\$1,236,254	\$981,398	\$981,398	-20.62 %
LEBANON FIRE DISTRICT	\$836,206	\$913,038	\$913,038	9.19 %
PARKWOOD FIRE DISTRICT	\$1,132,004	\$1,093,234	\$1,093,234	-3.42 %
REDWOOD FIRE DISTRICT	\$612,000	\$621,302	\$621,302	1.52 %
NEW HOPE FIRE DISTRICT	\$36,443	\$38,341	\$38,341	5.21 %
ENO FIRE DISTRICT	\$15,716	\$16,210	\$16,210	3.14 %
BAHAMA FIRE DISTRICT	\$613,461	\$480,937	\$480,937	-21.60 %
SPECIAL PARK DISTRICT	\$307,422	\$307,162	\$307,162	-0.08 %
EMG. SRV. TELEPHONE	\$3,804,986	\$1,286,877	\$1,286,877	-66.18 %
SPECIAL BUTNER	\$11,450	\$15,069	\$15,069	31.61 %
REAPPRAISAL RESERVE	\$162,044	\$115,156	\$283,000	74.64 %
DEBT SERVICE	\$37,462,554	\$40,688,982	\$40,571,867	8.30 %
SEWER UTILITY	\$10,071,970	\$9,359,608	\$9,359,608	-7.07 %
WATER & SEWER DEBT SERVICE	\$3,612,373	\$3,234,657	\$3,234,657	-10.46 %
GEORGE R. LINDER MEMORIAL FUND	\$250	\$250	\$250	0.00 %
COMMUNITY HEALTH TRUST FUND	\$7,034,455	\$7,034,455	\$7,846,255	11.54 %
L.E.O. RETIREMENT TRUST FUND	\$159,500	\$142,030	\$146,051	-8.43%
	<b>\$ 674,760,560</b>	<b>\$ 739,571,403</b>	<b>\$ 698,154,663</b>	<b>3.47%</b>

## GENERAL FUND

Business area		2005-2006 Current Modified	2006-2007 Department Requested	2006-2007 Manager Recommended	% Variance
4110	BOARD OF COUNTY COMMISSIONERS	\$ 505,375	\$ 519,078	\$ 538,928	6.64 %
4120	COUNTY ADMINISTRATION	\$ 1,426,226	\$ 1,685,268	\$ 1,570,758	10.13 %
4130	FINANCE	\$ 1,871,299	\$ 2,143,022	\$ 2,072,406	10.75 %
4140	TAX ADMINISTRATION	\$ 4,906,498	\$ 4,437,266	\$ 4,635,944	-5.51 %
4150	LEGAL	\$ 1,363,953	\$ 1,428,755	\$ 1,440,039	5.58 %
4160	COURT FACILITIES	\$ 712,042	\$ 810,800	\$ 731,350	2.71 %
4170	ELECTIONS	\$ 1,034,626	\$ 969,436	\$ 824,838	-20.28 %
4180	REGISTER OF DEEDS	\$ 1,485,402	\$ 1,524,310	\$ 1,514,673	1.97 %
4190	GENERAL SERVICES	\$ 10,890,561	\$ 13,629,046	\$ 10,697,826	-1.77 %
4200	INFORMATION TECHNOLOGY	\$ 3,672,725	\$ 4,906,033	\$ 4,641,854	26.39 %
4240	HUMAN RESOURCES	\$ 1,387,455	\$ 1,766,145	\$ 1,487,303	7.20 %
4250	BUDGET & MANAGEMENT SERVICES	\$ 482,651	\$ 493,610	\$ 500,638	3.73 %
4260	VETERANS SERVICES	\$ 66,923	\$ 96,745	\$ 78,725	17.64 %
4270	GEOGRAPHIC INFORM.SYSTEMS	\$ 367,249	\$ 387,441	\$ 393,772	7.22 %
4310	COUNTY SHERIFF	\$ 27,320,643	\$ 30,811,852	\$ 30,200,620	10.54 %
4320	EMERGENCY COMMUNICATIONS	\$ 622,860	\$ 696,973	\$ 731,503	17.44 %
4340	FIRE MARSHAL	\$ 3,155,708	\$ 2,278,621	\$ 2,212,829	-29.88 %
4360	MEDICAL EXAMINER	\$ 104,500	\$ 104,500	\$ 95,000	-9.09 %
4370	CRIMINAL JUSTICE PARTNERSHIP	\$ 1,873,505	\$ 1,937,389	\$ 1,925,889	2.80 %
4390	VFD PARAMEDIC SERVICE	\$ 1,242,014	\$ 1,476,524	\$ 1,416,524	14.05 %
4400	YOUTH HOME	\$ 906,245	\$ 1,093,329	\$ 1,107,080	22.16 %
4410	EMERGENCY MEDICAL SERVICES	\$ 6,805,717	\$ 7,298,744	\$ 7,429,868	9.17 %
4590	OTHER TRANSPORTATION	\$ 12,500	\$ 12,500	\$ 12,500	0.00 %
4730	ENVIRONMENTAL ENGINEERING	\$ 1,369,160	\$ 1,391,006	\$ 1,353,745	-1.13 %
4790	OTHER ENVIRON.PROTECTION	\$ 53,600	\$ 58,588	\$ 58,588	9.31 %
4800	OPEN SPACE MANAGEMENT	\$ 217,886	\$ 85,000	\$ 85,000	-60.99 %
4910	PLANNING	\$ 740,875	\$ 819,635	\$ 852,813	15.11 %
4950	COOPERATIVE EXTENSION SERVICE	\$ 1,044,654	\$ 1,292,428	\$ 1,264,176	21.01 %
4960	SOIL AND WATER CONSERVATION	\$ 215,532	\$ 270,878	\$ 273,982	27.12 %
4990	ECONOMIC DEVELOPMENT	\$ 724,840	\$ 1,232,764	\$ 1,031,553	42.31 %
5100	PUBLIC HEALTH	\$ 17,450,924	\$ 18,343,432	\$ 18,153,417	4.03 %
5200	MENTAL HEALTH	\$ 49,016,906	\$ 51,775,335	\$ 50,690,335	3.41 %
5300	SOCIAL SERVICES	\$ 302,432,183	\$ 338,133,115	\$ 319,814,121	5.75 %
5800	OTHER HUMAN SERVICES	\$ 1,817,840	\$ 3,025,890	\$ 1,826,837	0.49 %
5910	DURHAM PUBLIC SCHOOLS	\$ 85,627,705	\$ 96,511,340	\$ 90,497,705	5.69 %
5920	DURHAM TECH COMM. COLLEGE	\$ 3,760,862	\$ 4,430,914	\$ 4,138,815	10.05 %
5930	OTHER EDUCATION	\$ 196,775	\$ 302,479	\$ 170,264	-13.47 %
6110	LIBRARY	\$ 7,266,103	\$ 8,914,238	\$ 8,255,072	13.61 %
6190	OTHER CULTURAL & RECREATIONAL	\$ 2,409,783	\$ 2,730,550	\$ 2,422,196	0.52 %
9800	NONDEPARTMENTAL	\$ 7,352,807	\$ 8,771,413	\$ 6,156,990	-16.26 %
<b>Overall Result</b>		<b>\$ 553,915,112</b>	<b>\$ 618,596,392</b>	<b>\$ 583,306,475</b>	<b>5.31 %</b>

## RECOMMENDED NEW POSITIONS

Funds Center		Position	FTEs	Salary and Benefits	Starting Date
4120120000	COUNTY MANAGER	Senior Policy Analyst	1.00	\$49,989	7/1/2006
<b>County Manager Subtotal</b>			<b>1.00</b>	<b>\$49,989</b>	
4140140000	COUNTY ASSESSOR	GIS Cartographer	1.00	\$40,011	10/1/2006
<b>Tax Administration Subtotal</b>			<b>1.00</b>	<b>\$40,011</b>	
4190410000	GENERAL SERVICES	Maint. Tech I	1.00	\$29,101	8/1/2006
		Maint. Tech II (QC Inspec)	1.00	\$28,136	10/1/2006
		Equip. Technician	1.00	\$28,136	10/1/2006
<b>General Services Subtotal</b>			<b>3.00</b>	<b>\$85,373</b>	
4200191000	INFORMATION TECH.	Administrative Assistant II	1.00	\$31,445	10/1/2006
<b>Information Technology Subtotal</b>			<b>1.00</b>	<b>\$31,445</b>	
4260160000	VETERANS SERVICES	Processing Assistant III	0.50	\$11,243	10/1/2006
<b>Veterans Services Subtotal</b>			<b>0.50</b>	<b>\$11,243</b>	
4310320000	SHERIFF LEO SERVICES	Deputy - Crime Scene	1.00	\$30,392	10/1/2006
		Staff Assistant I - Records	1.00	\$20,260	10/1/2006
4310340000	GANGNET	Asst. Prog Mgr-Gangnet	1.00	\$46,464	7/1/2006
		Program Mgr-Gangnet	1.00	\$52,340	7/1/2006
<b>Sheriff's Office Subtotal</b>			<b>4.00</b>	<b>\$149,456</b>	
4370315600	PRETRIAL SERVICES	Program Manager	0.20	\$10,496	7/1/2006
<b>Criminal Justice Resource Center Subtotal</b>			<b>0.20</b>	<b>\$10,496</b>	
4400340000	YOUTH HOME	Detention Counselor	1.00	\$26,975	10/1/2006
		Detention Counselor	1.00	\$26,975	10/1/2006
		Detention Counselor	1.00	\$26,975	10/1/2006
		Detention Counselor	0.52	\$14,026	10/1/2006
		Detention Counselor	0.52	\$14,026	10/1/2006
		Detention Counselor	0.52	\$14,026	10/1/2006
<b>Youth Home Subtotal</b>			<b>4.56</b>	<b>\$123,003</b>	
4950231600	WELCOME BABY	Extension Program Assistant (reclass)	1.00	\$1,333	10/1/2006
<b>Cooperative Extension Subtotal</b>			<b>1.00</b>	<b>\$1,333</b>	
5100621500	NUTRITION	Nutritionist II	1.00	\$49,357	10/1/2006
5100621800	DENTAL	Processing Assistant III	0.60	\$20,686	10/1/2006
5100624500	PUBLIC HEALTH	Public Health Nurse III	1.00	\$64,093	10/1/2006
<b>Public Health Subtotal</b>			<b>2.60</b>	<b>\$134,136</b>	

Funds Center		Position	FTEs	Salary and Benefits	Starting Date
5300641000	SOCIAL SERVICES-ADMIN	Processing Assistant III	1.00	\$21,947	10/1/2006
		Processing Assistant III	1.00	\$21,947	10/1/2006
5300642000	SOCIAL SERVICES-SERVICES	Community Social Services Tech	1.00	\$29,142	10/1/2006
		IM Caseworker II	0.25	\$12,996	7/1/2006
<b>Social Services Subtotal</b>			<b>3.25</b>	<b>\$86,032</b>	
6110251100	GENERAL ADMIN.	Development Officer	0.47	\$23,788	7/1/2006
6110254200	NORTH DURHAM BRANCH	Librarian/Reference	1.00	\$20,430	1/1/2007
		Librarian/Reference	1.00	\$20,430	1/1/2007
		Librarian/Reference	0.50	\$10,215	1/1/2007
		Library Assistant/Children's	0.50	\$8,271	1/1/2007
		Library Assist/Circulation	0.50	\$8,271	1/1/2007
		Library Circulation Mgr	1.00	\$21,330	1/1/2007
		Library Page	0.48	\$3,724	1/1/2007
		Library Page	0.48	\$3,724	1/1/2007
		Library Page	0.48	\$3,724	1/1/2007
		Library Page	0.48	\$3,724	1/1/2007
		Senior Librarian/Children's Manager	1.00	\$22,273	1/1/2007
		Senior Librarian/Reference	1.00	\$22,273	1/1/2007
		Senior Library/Children's	1.00	\$16,541	1/1/2007
		System Support Technician	1.00	\$26,102	1/1/2007
		System Support Technician	0.50	\$13,052	1/1/2007
<b>Library Subtotal</b>			<b>11.39</b>	<b>\$227,872</b>	
<b>TOTAL</b>			<b>33.50</b>	<b>\$950,389</b>	

## TAX CHART

	<b><u>FY2006</u></b> <b>(Adopted)</b>	<b><u>FY2006</u></b> <b>(Actual)</b>	<b><u>FY2007</u></b> <b>(Budget Estimate)</b>	<b>% Change FY2007 from FY2006 (Actual)</b>
<b>Real Property</b>	\$16,807,856,693	\$16,774,399,216	\$17,350,763,943	3.44%
<b>Auto Value</b>	\$ 1,542,589,162	\$ 1,542,363,476	\$ 1,525,000,000	- 1.14%
<b>Personal Value</b>	\$ 2,320,387,420	\$ 2,469,472,228	\$ 2,517,748,113	1.95%
<b>Public Service</b>	<u>\$ 510,000,000</u>	<u>\$ 515,456,602</u>	<u>\$ 515,456,602</u>	0%
<b>TOTAL</b>	<b><u>\$21,180,833,275</u></b>	<b><u>\$21,301,691,522</u></b>	<b><u>\$21,908,968,658</u></b>	<b>2.85%</b>



## **VOLUNTEER FIRE DISTRICT TAX RATES**

<b>Fire Districts</b>	<b>FY05-06 Tax Rate</b>	<b>FY06-07 Requested Tax Rate</b>	<b>FY06-07 Recommended Tax Rate</b>
Bethesda	.0650	.0650	.0650
Lebanon	.0750	.0750	.0750
Parkwood	.1100	.1100	.1100
Redwood	.1000	.1000	.1000
New Hope	.0625	.0625	.0625
Eno	.0570	.0570	.0570
Bahama	.0600	.0600	.0600

It should be noted that the Eno and New Hope Fire Districts serve Orange and Durham counties. The agreements between the two boards of county commissioners calls for the Orange County Board of Commissioners to set the rate and provides that the Durham County Board will approve the same rate for the Durham County portion of the districts.

## **NONPROFIT FUNDING RECOMMENDATIONS**

<b>Organization</b>	<b>FY 05-06 Funded</b>	<b>FY 06-07 Recommended</b>
Achievement Academy of Durham	\$ 0	\$ 5,000
American Red Cross	\$ 5,000	\$ 10,000
Big Brothers Big Sisters of the Triangle	\$ 35,000	\$ 35,000
Child Advocacy Commission	\$ 31,421	\$ 33,000
Child and Parent Support Services	\$ 8,800	\$ 9,240
Child Care Services Association	\$ 29,626	\$ 29,626
Coordinating Council for Senior Citizens	\$ 135,188	\$ 135,188
Durham Companions	\$ 4,750	\$ 4,750
Durham Council for Children with Special Needs	\$ 10,000	\$ 10,000
Durham County Teen Court and Restitution	\$ 35,000	\$ 35,000
Durham Crisis Response Center	\$ 46,730	\$ 48,200
Durham Literacy Center	\$ 14,963	\$ 14,963
Durham Literacy Center – Youth	\$ 32,000	\$ 16,000
El Centro Hispano	\$ 0	\$ 10,000
Eno River	\$ 12,350	\$ 12,350
Family Counseling Service	\$ 14,963	\$ 14,963
Family Support Network of Northern Piedmont	\$ 0	\$ 5,000
Food Bank of Central and Eastern NC	\$ 0	\$ 5,000
Genesis Home	\$ 19,950	\$ 22,000
Inter-Faith Food Shuttle	\$ 0	\$ 5,000
John Avery Boys & Girls Club	\$ 35,000	\$ 40,000
Meals on Wheels	\$ 9,975	\$ 9,975
Middle School After School	\$ 89,775	\$ 94,264
NCCU-Senior Aides	\$ 28,500	\$ 28,500
Operation Breakthrough	\$ 97,375	\$ 100,000
Piedmont Wildlife Center	\$ 5,000	\$ 5,000
Planned Parenthood	\$ 4,641	\$ 10,000
Project Graduation	\$ 5,700	\$ 4,200
Read Seed	\$ 15,000	\$ 10,000
SeeSaw Studio	\$ 0	\$ 5,000
Senior PHARMAssist	\$ 89,775	\$ 94,264
Shodor Education Foundation	\$ 0	\$ 5,000
Triangle Radio Reading Service	\$ 3,713	\$ 4,500
TROSA	\$ 0	\$ 24,000
Urban Ministries	\$ 154,875	\$ 160,000
Women-in-Action	\$ 31,500	\$ 31,500
<b>TOTAL</b>	<b>\$ 1,006,570</b>	<b>\$ 1,091,483</b>